GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4882
ANSWERED ON:23.05.2006
GEM JEWELLERY SECTOR
Oram Shri Jual

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the export of Gems and Jewellery during 2005-06 and the current year along with foreign exchange earned therefrom, country-wise;

(b) whether the export of Gems and Jewellery has increased as compared to previous years;

(c) if so, the details thereof;

(d) the steps taken by the Government to promote these industries to compete in the international market;

(e) whether the Gem/Jewellery Export Council propose to set up new training centres to give employment in this sector; and

(f) if so, the details thereof alongwith the steps taken thereon so far?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) As per the published figures of the Directorate General of Commercial Intelligence & Statistics (DGCI&S), export of Gems and Jewellery during April-December, 2005 along with foreign exchange earned therefrom, major country-wise is as below:

Value: in US $ Million

S.No.	Country	April-December 2005
1.	U.S.A.	3155.16
2.	Hong Kong	2359.47
3.	UAE	1545.30
4.	Singapore	1196.53
5.	Belgium	1024.49
6.	Israel	572.72
7	Japan	344.83
8.	Thailand	226.04
9.	UK	169.96
10.	Switzerland	95.72
11.	Others	438.41
12	Total	11128.63

Source: DGCI&S

However, as per Gem and Jewellery Export Promotion Council (GJEPC), a representative body of the trade, provisional figures of export of Gems & Jewellery for the year 2005-06 (April to March) is about US Dollar 16670 million.

Yes, Sir.

Export of Gems and Jewellery during 2002-03, 2003-04, 2004-05 and 2005-06 (April-December) the percentage of growth over the previous year are as follows:

Value: in US $ Million

S.No.	Year	Total Exports of Gem and Jewellery	Percentage Growth
1.	2002-03	9029.94	23.59
2.	2003-04	10573.38	17.09
3.	2004-05	13705.43	29.62

Source: DGCI&S

Value: in US $ Million

S.No.	Year	Total Exports of Gem and Jewellery	Percentage Growth
1.	2004 (April-December)	9430.21	
2.	2005 (April-December)	11128.63	18.01

Source: DGCI&S

(d) Export of Gems & Jewellery has been identified as a thrust sector in the Foreign Trade Policy effective from 1st September, 2004. In the Foreign Trade Policy updated as on 7th April, 2006, following facilities have been extended to this sector:

(i) Import of gold of 8k and above has been allowed under the replenishment scheme subject to the import being accompanied by an Assay Certificate specifying the purity, weight and alloy content.

(ii) Duty Free import entitlement of consumables for metals other than Gold, Platinum to be 2% of FOB value of exports during the previous financial year.

(iii) Duty free import entitlement of commercial samples to be Rs.300,000.

(iv) Duty free re-import entitlement for rejected jewellery to be 2% of the FOB value of exports.

(v) Cutting and polishing of gems and jewellery, to be treated as manufacturing for the purposes of exemption under Section 10A of the Income Tax Act.

(vi) Import of precious metal scrap / used jewellery has been allowed for melting, refining and re-export of jewellery. However, such import will not be allowed through hand baggage.

(vii) Gem & Jewellery exporters have been allowed to export jewellery on consignment basis as per Rules.

(viii) Gem & Jewellery exporters have been allowed to export cut and polished precious and semi-precious stones for treatment and re-import as per Rules.

(ix) To boost export of plain gold / platinum / silver jewellery, articles and ornaments and enhance their international competitiveness, the value addition norms for such items has been reduced from 7% to 4.5%.

Some other facilities extended to the Gem & Jewellery export sector are encouraging private sector to create training infrastructure to impart skills in jewellery designing, participation of Gem and Jewellery exporters in international fairs and buyer-seller meets abroad etc. with support under Market Development Assistance (MDA) and Market Access Initiative (MAI) Schemes of the Department of Commerce.

(e) & (f) Yes, Sir. Land for setting up an Indian Institute of Gem & Jewellery in Jaipur, Rajasthan has been obtained by the The Gem & Jewellery Export Promotion Council.